



Financial Statements

The Cemetery Fund of The Incorporated Synod of the
Diocese of Toronto

December 31, 2021

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Independent Auditor's Report

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To the Unitholders of
The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto

Opinion

We have audited the financial statements of The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto (the "Fund"), which comprise the statement of net assets as at December 31, 2021, and the statements of earnings, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises ("ASPE").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with ASPE, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Toronto, Canada
May 19, 2022

Chartered Professional Accountants
Licensed Public Accountants

The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto

Statement of Earnings

Year ended December 31	2021	2020
Revenue		
Interest and dividends	<u>\$ 389,988</u>	<u>\$ 393,421</u>
Expenses		
Investment counsel fees	51,250	43,358
Administration expenses - Diocese (Note 3)	<u>5,000</u>	<u>5,000</u>
	<u>56,250</u>	<u>48,358</u>
Net investment earnings	333,738	345,063
Capital appreciation	<u>1,479,757</u>	<u>403,584</u>
Net earnings	<u>\$ 1,813,495</u>	<u>\$ 748,647</u>
Average number of units outstanding (Note 6)	<u>81,254</u>	<u>79,588</u>
Net earnings per unit	<u>\$ 22.32</u>	<u>\$ 9.41</u>

**The Cemetery Fund
of The Incorporated Synod of the Diocese of Toronto
Statement of Changes in Net Assets**

Year ended December 31	2021	2020
Net assets, beginning of year	\$ 13,709,058	\$ 12,913,466
Net earnings	<u>1,813,495</u>	<u>748,647</u>
Unit transactions		
Contributions received to purchase units	447,309	395,585
Redemption of units	<u>(165,336)</u>	<u>(3,577)</u>
	<u>281,973</u>	<u>392,008</u>
Distributions to unit holders		
Net investment income	<u>(333,738)</u>	<u>(345,063)</u>
Net assets, end of year	<u>\$ 15,470,788</u>	<u>\$ 13,709,058</u>
Number of units outstanding, end of year (Note 6)	<u>82,125</u>	<u>80,564</u>
Net assets, end of year, per unit	<u>\$ 188.38</u>	<u>\$ 170.16</u>
Distribution per unit	<u>\$ 4.06</u>	<u>\$ 4.28</u>

**The Cemetery Fund
of The Incorporated Synod of the Diocese of Toronto
Statement of Net Assets**

December 31 2021 2020

Assets

Cash	\$ 650,222	\$ 545,064
Investments (Note 4)	<u>15,030,806</u>	<u>13,218,154</u>
	<u>15,681,028</u>	<u>13,763,218</u>

Liabilities

Accounts payable and accrued liabilities	<u>210,240</u>	<u>54,160</u>
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Net assets

Funds held for parishes (Note 7)	<u>\$ 15,470,788</u>	<u>\$ 13,709,058</u>
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On behalf of the Diocesan Council

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The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto

Statement of Cash Flows

Year ended December 31	2021	2020
Operating activities		
Net earnings	\$ 1,813,495	\$ 748,647
Item not affecting cash		
Capital appreciation	<u>(1,479,757)</u>	<u>(403,584)</u>
	333,738	345,063
Change in non-cash working capital:		
Accounts payable and accrued liabilities	<u>156,080</u>	<u>6,264</u>
	<u>489,818</u>	<u>351,327</u>
Investing activities		
Contributions received to purchase units	447,309	395,585
Redemption of units	(165,336)	(3,577)
Distributions to unit holders	(333,738)	(345,063)
Purchase of investments - net	<u>(332,895)</u>	<u>(569,416)</u>
	<u>(384,660)</u>	<u>(522,471)</u>
Increase (decrease) in cash	105,158	(171,144)
Cash, beginning of year	<u>545,064</u>	<u>716,208</u>
Cash, end of year	<u>\$ 650,222</u>	<u>\$ 545,064</u>

The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto Notes to the Financial Statements

December 31, 2021

1. Purpose

The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto (the "Fund") was created by The Incorporated Synod of the Diocese of Toronto (the "Diocese") as of October 1, 1993 to provide a trust fund meeting the requirements of the Funeral, Burial and Cremations Act, 2002 (formerly The Cemeteries Act) to hold cemetery care and maintenance funds for cemeteries of parishes in the Diocese of Toronto. Under the terms of a trust agreement made by the Synod dated July 27, 1993, Scotiatrust is the trustee of the funds.

2. Summary of significant accounting policies

Basis of accounting

The Fund has prepared these financial statements in accordance with Canadian accounting standards for private enterprises ("ASPE").

ASPE requires entities to select policies appropriate for their circumstances from policies provided in these standards. The following are the policies selected by the Fund and applied in these financial statements.

Revenue recognition

Interest, dividends and capital appreciation are recognized as earned.

Use of estimates

In preparing the Fund's financial statements, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Financial instruments

The Fund considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Fund's financial instruments comprise cash, investments, and accounts payable.

Financial assets and liabilities obtained in arm's length transactions are initially recorded at their fair value and financial assets and liabilities obtained in related party transactions are initially measured at their exchange amount. The Fund subsequently measures all of its financial assets and liabilities at amortized cost, except for its investments, which are measured at fair value. Investments at fair value are determined by reference to the last bid price of the investments.

The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto Notes to the Financial Statements

December 31, 2021

2. Summary of significant accounting policies (continued)

Foreign currency translation

The Fund translates transactions denominated in foreign currencies at the exchange rates at the date of the statement of net assets for monetary assets and liabilities, and the average exchange rates during the year for revenue and expenses. Unrealized translation gains and losses are recognized as capital appreciation (depreciation) in the statement of earnings.

Unit valuation

The Fund is a unitized fund which is valued quarterly. Deposits and withdrawals are valued at the unit value as at the end of the quarter in which they occur.

Distribution

In compliance with Bereavement Authority of Ontario's requirement, the dividend distribution is limited to the investment income earned during the year. As a result, the income distribution for the year was set at the rate of \$4.06 per unit, representing a 2.2% return on investments on December 31, 2021. The aggregate income and capital distribution for the year ended December 31, 2020, was set at the rate of \$4.28 per unit, representing a 2.5% return on investments on December 31, 2020. The Investment Committee of the Diocese reviews this rate annually to ensure that it is reasonable relative to the total return of the Fund and the annual rate of inflation.

The distribution is allocated to unitholders quarterly, pro-rata based on the number of units held at the beginning of the quarter.

3. Administration expenses – Diocese

The Diocese provides accounting services and administrative oversight to the Fund and charges these costs to the Fund. The amount charged is set as a flat amount and forms part of the Diocesan budget approved by the Synod.

The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto

Notes to the Financial Statements

December 31, 2021

4. Investments

Investments are carried at fair value which results in capital gains or losses being allocated to unitholders. Details of investment assets by type are as follows:

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
Money market funds	\$ 256,097	2	\$ 1,138,110	9
Bonds - Provinces of Canada	405,124	3	416,572	3
- Corporations	5,579,519	37	4,351,316	33
Canadian equities	5,992,766	40	5,178,268	39
Foreign equities	<u>2,797,300</u>	<u>18</u>	<u>2,133,888</u>	<u>16</u>
	<u>\$ 15,030,806</u>	<u>100</u>	<u>\$ 13,218,154</u>	<u>100</u>

5. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extended risk related to financial instruments.

Interest rate risk

The Fund's earnings are exposed to the risk that arises from fluctuations in interest rates and the degree of volatility of these rates. This risk is limited to money market funds and bonds held by the Fund. The Fund does not use derivative instruments to alter its exposure to interest rate risk.

Market risk

The Fund is exposed to market risk on its investments in equities quoted in an active market since changes in market prices could result in changes in the fair value of these instruments.

Currency risk

Currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in the rate of exchange between Canadian and foreign currencies. It is management's opinion that the Fund is not exposed to significant currency risk arising from its financial instruments relating to foreign equities as management has developed an investment policy to ensure the portfolio meets specific requirements to limit such risk.

Credit risk

The Fund is subject to credit risk through investments in money market funds and bonds. It is management's opinion that the Fund is not exposed to significant credit risk arising from its financial instruments as management has developed an investment policy to ensure the portfolio meets specific requirements to limit such risk.

The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto

Notes to the Financial Statements

December 31, 2021

6. Continuity of units outstanding

	<u>2021</u>	<u>2020</u>
Units, beginning of year	80,564	78,124
Subscriptions	2,439	2,461
Redemptions	<u>(878)</u>	<u>(21)</u>
Units, end of year	<u>82,125</u>	<u>80,564</u>
Average units outstanding	<u>81,254</u>	<u>79,588</u>

Average units outstanding is calculated based the average of the units outstanding on a quarterly basis.

7. Funds held for parishes

		<u>2021</u>	<u>2020</u>
All Saints, Collingwood	Care and maintenance	\$ -	\$ 119,750
All Saints, Collingwood	Monument	-	22,795
All Saints, King City	Care and maintenance	8,649	7,627
All Saints, Kingsway	Care and maintenance	22,698	19,935
Christ Church, Banda	Care and maintenance	22,606	20,420
Christ Church, Batteau	Care and maintenance	93,816	84,743
Christ Church, Campbellford	Care and maintenance	26,692	24,111
Christ Church, Campbellford	Monument	1,145	1,035
Christ Church, Campbellford	Pre Need	6,765	5,976
Christ Church, Holland	Care and maintenance	109,619	98,836
Christ Church, Holland	Monument	1,315	1,188
Christ Church, Ivy	Care and maintenance	22,877	20,665
Christ Church, Mimico	Care and maintenance	309,198	259,361
Christ Church, Roche's Point	Care and maintenance	396,449	354,151
Christ Church, Roche's Point	Monument	5,405	4,775
Christ Church, Woodbridge	Care and maintenance	77,378	66,202
Good Shepherd, Wyebridge	Care and maintenance	34,071	29,321
Good Shepherd, Wyebridge	Monument	9,901	8,656
Grace Church on the Hill	Care and maintenance	39,600	-
Grace Church, Markham	Care and maintenance	71,464	61,812
Grace Church, Markham	Monument	8,298	7,215
Holy Trinity, Thornhill	Care and maintenance	126,233	110,693
Lloydtown	Care and maintenance	69,221	62,527
Lloydtown	Monument	4,768	4,307
Middleton St. Clair	Care and maintenance	7,013	6,197
Middleton St. Clair	Pre Need	4,649	4,106
Redeemer, Duntroon	Care and maintenance	108,926	98,392
Redeemer, Duntroon	Monument	635	573
St. Alban, Janetville	Care and maintenance	40,380	36,475
St. Clement, Eglinton	Care and maintenance	41,949	37,060
St. David Everett	Care and maintenance	43,420	38,986

The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto

Notes to the Financial Statements

December 31, 2021

7. Funds held for parishes (continued)

		<u>2021</u>	<u>2020</u>
St. George, Allandale	Care and maintenance	\$ 34,736	\$ 31,377
St. George, Apsley	Care and maintenance	25,175	22,741
St. George, Apsley	Monument	5,431	4,385
St. George, Cooper's Falls	Care and maintenance	18,571	16,775
St. George, Cooper's Falls	Monument	3,890	3,424
St. George, Fairvalley	Care and maintenance	86,934	76,215
St. George, Fairvalley	Monument	13,008	11,299
St. George, Georgina	Care and maintenance	122,367	107,169
St. George, Gore's Landing	Care and maintenance	21,244	19,189
St. George, Gore's Landing	Monument	1,650	1,491
St. George, Grafton	Care and maintenance	41,007	36,269
St. George, Grafton	Monument	5,740	5,185
St. George, Oshawa	Care and maintenance	23,363	21,104
St. George, Pickering Village	Care and maintenance	37,902	32,923
St. George, Pickering Village	Monument	4,214	3,572
St. James, Caledon East	Care and maintenance	13,115	11,847
St. James, Penetanguishene	Care and maintenance	197,552	176,569
St. James, Penetanguishene	Monument	21,877	18,604
St. James, Roseneath	Care and maintenance	22,813	17,816
St. James, Sutton West	Care and maintenance	16,555	14,954
St. James, West Brock	Care and maintenance	40,389	35,762
St. John, Blackstock (Ascension)	Care and maintenance	45,581	40,082
St. John, Blackstock (Ascension)	Monument	5,252	4,744
St. John, Cookstown	Care and maintenance	60,278	51,910
St. John, Craighurst	Care and maintenance	185,511	158,538
St. John, East Orangeville	Care and maintenance	253,290	223,140
St. John, East Orangeville	Monument	22,261	20,108
St. John, Ida	Care and maintenance	104,341	92,074
St. John, Ida	Monument	14,055	12,277
St. John, Matchedash	Care and maintenance	36,976	32,734
St. John, Matchedash	Monument	7,801	6,859
St. John, Norway	Care and maintenance	3,781,031	3,307,524
St. John, Norway	Monument	150,151	132,878
St. John, Norway	Pre-need	1,496,158	1,299,768
St. John, Oak Ridges	Care and maintenance	59,481	52,984
St. John, Tecumseth	Care and maintenance	81,775	73,867
St. John, Tecumseth	Monument	8,671	7,639
St. John, Waverley	Care and maintenance	24,478	22,111
St. John, Waverley	Monument	3,300	2,915
St. John, Whitby	Care and maintenance	80,207	71,409
St. John, Whitby	Monument	8,534	7,708
St. John, York Mills	Care and maintenance	446,952	394,406
St. John, York Mills	Monument	19,569	17,079
St. Jude, Wexford	Care and maintenance	180,933	151,853
St. Jude, Wexford	Monument	7,181	5,929

The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto

Notes to the Financial Statements

December 31, 2021

7. Funds held for parishes (continued)

		<u>2021</u>	<u>2020</u>
St. Luke, Hamlet (Good Samaritan)	Care and maintenance	\$ 73,661	\$ 65,940
St. Luke, Hamlet (Good Samaritan)	Investment	81,208	70,235
St. Luke, Hamlet (Good Samaritan)	Monument	5,623	4,894
St. Luke, Dixie South	Care and maintenance	10,892	9,621
St. Margaret, West Hill	Care and maintenance	1,869,726	1,680,125
St. Mark, East Oro	Care and maintenance	12,497	11,289
St. Mark, Midland	Care and maintenance	121,838	109,351
St. Mark, Midland	Monument	18,637	16,788
St. Mark, Otonabee	Care and maintenance	58,734	51,354
St. Mark, Otonabee	Monument	2,155	1,947
St. Mark, Port Hope	Care and maintenance	9,219	8,022
St. Mary, Lifford	Care and maintenance	119,187	104,940
St. Michael, Westwood	Care and maintenance	3,325	3,003
St. Paul, L'Amoreaux	Care and maintenance	65,154	58,080
St. Paul, L'Amoreaux	Monument	7,584	6,851
St. Paul, Cavan	Care and maintenance	31,648	28,315
St. Paul, Cavan	Monument	1,537	1,388
St. Paul, Columbus	Care and maintenance	73,360	65,632
St. Paul, Columbus	Monument	2,449	2,212
St. Paul, Coulson Hill	Care and maintenance	96,367	84,144
St. Paul, Innisfil	Care and maintenance	367,079	328,657
St. Paul, Innisfil	Monument	41,510	36,902
St. Paul, Lasswade	Care and maintenance	548	495
St. Paul, Newmarket	Care and maintenance	7,029	6,349
St. Paul, Washago	Care and maintenance	54,188	47,306
St. Paul, Washago	Investment	37,106	21,948
St. Paul, Washago	Monument	12,989	11,233
St. Peter, Erindale	Care and maintenance	167,871	150,323
St. Peter, Churchill	Care and maintenance	43,036	36,960
St. Peter, Churchill	Monument	2,102	1,669
St. Peter, Cobourg	Care and maintenance	436,676	383,783
St. Philip, Etobicoke	Care and maintenance	1,613,010	1,416,276
St. Philip, Etobicoke	Monument	45,251	40,875
St. Philip, Etobicoke	Pre-need	114,314	103,259
St. Philip, Unionville	Care and maintenance	110,237	98,962
St. Philip, Unionville	Monument	5,599	4,734
St. Thomas, Shanty Bay	Care and maintenance	88,530	79,969
Trinity, Port Credit	Care and maintenance	53,527	42,677
Trinity, Streetsville	Care and maintenance	12,501	10,365
Trinity, Colborne	Care and maintenance	36,444	25,089
		<u>\$ 15,470,788</u>	<u>\$ 13,709,058</u>

The Cemetery Fund of The Incorporated Synod of the Diocese of Toronto Notes to the Financial Statements

December 31, 2021

8. COVID-19

The outbreak of a novel strain of coronavirus (“COVID-19”) was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, organizations were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to organizations worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Fund for future periods. As of the audit report date, investment funds have steadily appreciated, indicating the long-term sustainability of the Fund.